Marc Elrich
County Executive

Tiffany Ward, Director
Office of Racial Equity and Social Justice

MEMORANDUM

November 9, 2021

To: Jennifer Bryant, Director
            Office of Management and Budget

From: Tiffany Ward, Director
            Office of Racial Equity and Social Justice

Re: Supplemental Appropriation: #22-31 Nebel Street Shelter

I.   **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Special Appropriation #22-31 is likely to advance racial equity and social justice in the county. Based on national trends in homelessness, data about homelessness in Montgomery County, and the disproportionate impact of the pandemic on residents of color, ORESJ believes that the construction of the Nebel Street Shelter is likely to support those most impacted by racial inequities in housing and employment and thus is likely to advance racial equity in the County.

II. **BACKGROUND:** Special Appropriation #22-31 provides $2,455,000 to the FY22 Capital Budget and an amendment to the FY21-26 Capital Improvements Program to complete the construction of the Nebel Street Emergency Homeless Shelter (No. P602103). The funding is needed for costs related to roof replacement, purchasing of furniture, and contractual third-party services for the new shelter. This funding is needed now as the current facility providing shelter service, located at Taft Court in Rockville, will no longer be available starting January 2022. Additionally, due to COVID-19, the maximum occupancy at each County homeless shelter has decreased to allow for social distancing and spacing of beds. The facility will provide space for congregation, meal service, medical offices, and case management offices.

Between 2010 and 2016, the US experienced sustained reductions in homelessness, but since 2017 that trend has reversed. According to the National Alliance to End

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Homelessness' (NAEH) brief on the US Department of Housing and Urban Development's 2020 Annual Homelessness Assessment Report (AHR) to Congress (Part 1), before the pandemic, in January 2020, 580,466 people were counted as homeless during the 2020 Point-in-Time count, representing a 2.2% increase over 2019[1]. This means that even the most well-resourced homelessness systems were likely strained even before the pandemic exacerbated health, employment, and housing inequities. An analysis from the Joint Center for Housing Studies of Harvard University[2] points to unsheltered homelessness driving overall increases, high rates of housing cost burden, and disproportionate rates of homelessness among people of color as defining aspects of the state of homelessness in the US requiring attention throughout the pandemic recovery.

In Montgomery County, available data indicate that people of color, particularly Black residents are disproportionately represented in the homelessness continuum. *See data analysis section for details*. The reasons for this disproportionality are structural in nature and mirror persistent patterns across the country whereby people of color experience homelessness at disproportionately high rates due to historic and ongoing systemic racism[3]. The Montgomery County Interagency Commission on Homelessness (ICH) Strategic Plan for January 2020 - December 2023 recognizes this by explaining the effect of "racial disparities and biases that lead people to become homeless and create barriers from moving out of homelessness[4]".

While homelessness is often attributed to poverty, there are several other factors linked to its persistence. The NAEH *State of Homelessness: 2021 Edition* points to severe housing cost burden and a practice of "doubling up" as homelessness risk factors. In addition, the report explains how racial inequities exacerbate risk factors, noting that "historically marginalized racial groups are far more likely to experience homelessness as a result of segregation and discrimination in employment and housing"[5]. A 2018 Center for Social

[1] National Alliance to End Homelessness. "New Report Shows Rise in Homelessness in Advance of COVID-19 Crisis". March 18, 2021. Available at: https://endhomelessness.org/new-report-shows-rise-in-homelessness-in-advance-of-covid-19-crisis/.

[2] Riordan Frost. Joint Center for Housing Studies of Harvard University. "Pre-pandemic trends offer insight into post-pandemic homelessness". March 30, 2021. Available at: https://www.jchs.harvard.edu/blog/pre-pandemic-trends-offer-insight-post-pandemic-homelessness.

[3] National Alliance to End Homelessness. Racial Equity Resources. October 27, 2020. Available at: https://endhomelessness.org/resource/racial-equity-resources/.

[4] Interagency Commission on Homelessness: Housing for All=Stronger Montgomery Strategic Plan. January 2020-December 2023. Available at: https://www.montgomerycountymd.gov/Homelessness/Resources/Files/Documents/MCStrategicPlanFinalJan2020.pdf.

[5] State of Homelessness: 2021 Edition.

Innovation Report[6] offers an additional set of factors influencing homelessness for people of color:

1) lack of economic capital within social networks;

2) lack of safe and affordable housing;

3) ongoing challenges obtaining a job or housing because of involvement in the criminal justice system;

4) behavioral healthcare systems not responsive to the needs of people of color; and

5) exposure to individual and community-level violence.

The study suggests that based on these "complex underlying issues that drive high rates of homelessness among people of color, it is important to address multiple levels simultaneously", pointing to the need for systems-level changes much like those outlined in the ICH Homelessness Strategic Plan in addition to short-term sheltering strategies.

The ICH Strategic Plan also articulates a set of values and strategies that support embedding racial equity in the County's efforts to end homelessness. The housing-first and person-centered orientation of the plan encourages practitioners across the system to recognize the expertise of those with lived experience. Designing programs and systems change strategies in this way is supported by effective practice across social service sectors. Findings from a 2018 Center for Social Innovation (now known as C4 Innovations) Report explain the importance of lifting up the voices of those with lived experience and understanding those experiences within the context of the "racial inequities that lead to and exacerbate homelessness broadly.[7]" The ICH Strategic Plan also includes a set of objectives and desired outcomes related to reducing racial disparities across the system[8], including those that contribute to experiences of homelessness.

III. **DATA ANALYSIS:** Using the Housing and Urban Development (HUD) Exchange COC Racial Equity Analysis Tool[9] (version 2.1) with Montgomery County Continuum of Care 2019 Point-In-Time data reveals racial disparities between the percent of

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[6] The 2018 Center for Social Innovation Report uses a mixed-method approach focused on the experiences of six participating communities. The findings from the report are therefore not generalizable but are nonetheless instructive about the complexity of racial inequities affecting people of color experiencing homelessness.
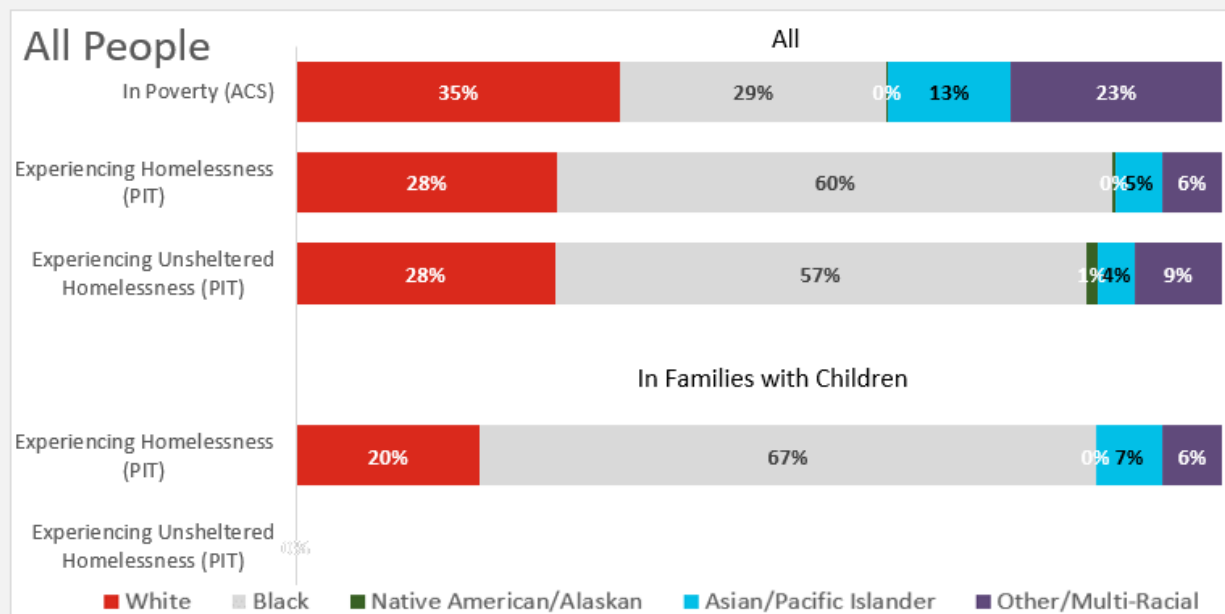
[7] Jeffrey Olivet, Marc Dones, Molly Richard, Catriona Wilkey, Svetlana Yampolskaya, Maya Beit-Arie, and Lunise Joseph. Center for Social Innovation. Supporting Partnerships for Anti-Racist Communities: Phase One Study Findings. March 2018. Available at: https://c4innovates.com/download/sparc-report/?wpdmdl=117649&masterkey=5cbf174e7529c.

[8] Interagency Commission on Homelessness: Housing for All=Stronger Montgomery Strategic Plan.

[9] HUD Exchange. US Department of Housing and Urban Development. COC Analysis Tool: Race and Ethnicity. March 2020. Available at: https://www.hudexchange.info/resource/5787/coc-analysis-tool-race-and-ethnicity/.

residents in poverty and the percent experiencing homelessness. County-level data shows that Black residents are overrepresented among residents experiencing homelessness. Black residents make up 18% of the total population, but 29% of residents in poverty, and 60% of residents experiencing homelessness. The disparity and disproportionality experienced by black residents is most stark when compared to the percent of white residents in poverty and their underrepresentation among residents experiencing homelessness compared to their representation in the population overall. White residents make up 54% of the total population, 35% of all people in poverty (a larger percentage than black residents) and make up 28% of the population experiencing homeless (32 percentage points less than black residents). These disparities and disproportionalities suggest that factors other than (or in addition to) poverty deeply affect experiences of homelessness in Montgomery County.
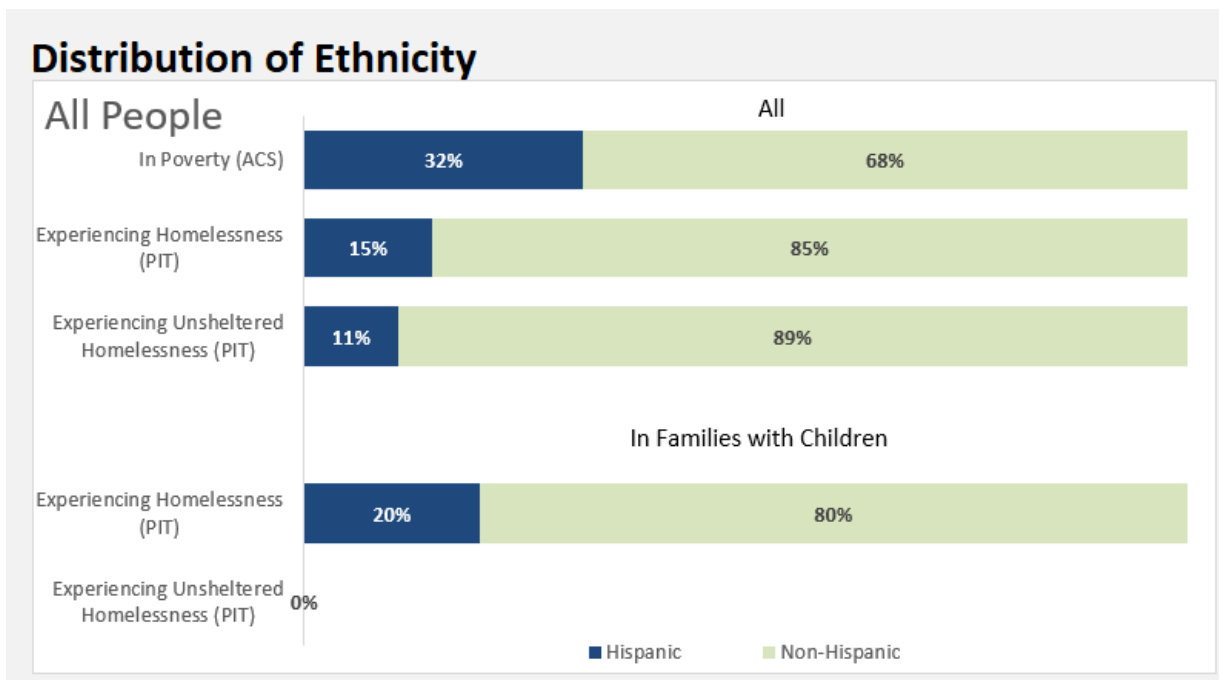
Distribution of Race

All People	All				
In Poverty (ACS)	35%	29%	0%	13%	23%
Experiencing Homelessness (PIT)	28%	60%	0%	5%	6%
Experiencing Unsheltered Homelessness (PIT)	28%	57%	1% 4%		9%
In Families with Children					
Experiencing Homelessness (PIT)	20%	67%	0%	7%	6%
Experiencing Unsheltered Homelessness (PIT)	0 3%				

■ White ■ Black ■ Native American/Alaskan ■ Asian/Pacific Islander ■ Other/Multi-Racial

Source: "Homelessness and poverty counts at the COC and State Level for MD-601 (Montgomery County Continuum of Care)". The HUD Exchange. https://www.hudexchange.info/resource/5787/coc-analysis-tool-race-and-ethnicity/ COC Analysis Tool 2.1 is available here: https://www.hudexchange.info/resources/documents/CoC-Analysis-Tool-2.1.xlsb

In looking at the ethnic composition of residents experiencing poverty and homelessness there appears to be an overrepresentation of Hispanic/Latino residents experiencing poverty compared to their representation in the population overall. At the same time, Hispanic/Latino residents are underrepresented among those experiencing homelessness compared to their poverty rate and their representation in the County population overall. Hispanic/Latino residents make up 19% of the County population, 32% of residents

experiencing poverty, and 15% of residents experiencing homelessness. A similar pattern is evident in national data. Researchers suggest that the observed underrepresentation of Hispanic/Latino residents in the population of residents experiencing homelessness may be an undercount linked to recent immigrants being more likely to double up, live in substandard housing, or be fearful of entering a shelter setting if they're undocumented or live in a household with undocumented individuals[10].

Distribution of Ethnicity

All People	All	
In Poverty (ACS)	32%	68%
Experiencing Homelessness (PIT)	15%	85%
Experiencing Unsheltered Homelessness (PIT)	11%	89%

In Families with Children		
Experiencing Homelessness (PIT)	20%	80%
Experiencing Unsheltered Homelessness (PIT)	0%	

■ Hispanic   ■ Non-Hispanic

Source: "Homelessness and poverty counts at the COC and State Level for MD-601 (Montgomery County Continuum of Care)". The HUD Exchange. https://www.hudexchange.info/resource/5787/coc-analysis-tool-race-and-ethnicity/ COC Analysis Tool 2.1 is available here: https://www.hudexchange.info/resources/documents/CoC-Analysis-Tool-2.1.xlsb

cc: Ken Hartman, Director Strategic Operations, Office of the County Executive
       David Dise, Director, Department of General Services
       Lindsay Lucas, Analyst, Office of Management and Budget

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[10] Jeffrey Olivet, et al.